

## Agreement to File Michigan Composite Individual Income Tax Return

This agreement is between the State of Michigan, Department of Treasury, and the partnership, S Corporation, Limited Liability Company (LLC), Limited Liability Partnership (LLP), or other flow through entity named below.

The partnership, S Corporation, LLC, LLP or other flow through entity named below ("the firm"), does business in Michigan. It also has partners, shareholders or other owner member(s) who are not Michigan residents. Nonresident partners, shareholders or other owner member(s) must pay Michigan income tax on their share of income from the firm that comes from business conducted in Michigan.

The person named below is a general partner, S corporation officer or officer of an LLC, LLP or other flow through entity and can act for the firm in this agreement.

If the firm has more than one nonresident participating partner, shareholder or other owner member(s) the firm may file a Michigan tax return and pay the tax due on behalf of the nonresident partners, shareholders or other owner member(s) ("the participants"). Before this is done, the firm must get permission from the partners, shareholders or other owner member(s). The firm must maintain a file of powers of attorney executed by each participant that authorize the firm to file a composite return and pay the tax on his or her behalf.

Income from this firm must be the participants' only source of Michigan income, unless the other source is from another firm under a similar agreement with the State of Michigan. A participant must be eligible to file a *Michigan Income Tax Return*, and cannot be a resident trust, a partnership or a corporation. Each participant agrees to claim only one personal exemption.

Partners, shareholders and other owner member(s) must decide **every year** if they wish to file the composite return. This choice becomes final and irrevocable upon the filing of the composite return for that year.

If a partner, shareholder or other owner member(s) does not give permission for the firm to file Michigan income tax returns on his or her behalf, the firm agrees to advise those for whom it is not filing returns that they must file a Michigan income tax return and report his or her income from the

firm. The firm also agrees to submit to Michigan a separate list of non-participating partners, shareholders or other owner member(s) including their names, addresses, Social Security numbers and income amounts.

The firm agrees to file with the State of Michigan one *Michigan Composite Individual Income Tax Return* on behalf of the participants. Returns and payment are due the 15th day of the fourth month after the close of the firm's tax year. Extensions may be requested, but any tax due must be paid with the extension request.

The firm may be required to file estimated tax returns and pay estimated tax on behalf of the participants. These returns and payments are required if **each** participant's tax is expected to exceed \$500 or more after exemptions and credits.

The firm and the participants must agree that the firm will receive any notices of proposed tax to be assessed or assessments of tax with respect to any composite nonresident returns filed under the program. The firm must agree to pay any deficiency arising from the composite filing. The deficiency may include applicable penalties and interest.

When the firm files the composite return, it must attach the following:

- A copy of pages 1, 2 and 3 of the *U.S. 1065* or *U.S. 1120S*.
- A *Michigan Schedule of Apportionment* (form MI-1040H).
- Two schedules (one for participants and one for non-participants) listing each partner's, shareholder's, or other owner member's name, address, Social Security number and respective share of Michigan income and/or loss.
- A statement signed by an authorized officer or general partner certifying that each participant has been informed of the terms and conditions of this program.

This agreement will remain in effect until revoked by either the State of Michigan or the firm.

If the firm does not comply with this agreement, the Michigan Department of Treasury may revoke the firm's privilege of filing a composite return for its nonresident partners, shareholders or other owner member(s).

Company Name		Company Federal Employer Identification Number	
Mailing Address (Street, P.O. Box or Rural Route No.)			
City		State	ZIP Code
Signature of Authorized Partner or Corporate Officer		Date	
Print or Type Name of Authorized Partner or Corporate Officer			
Signature of Director, Tax Processing Bureau		Date	

Mail original and one copy of this agreement to:

Composite Return  
Michigan Department of Treasury  
Lansing, MI 48922